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(CLASSIFICATION)

64-4701 E.O.

OFFICE OF THE DIRECTOR

Action Memorandum No. 400

Date 30 JUN 1964

TO : Deputy Director (Science & Technology)

SUBJECT : Policy Guidance for Preparation and Review of
Fiscal Year 1966 Budget

REFERENCE:

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1. During FY 1964 the Agency has taken a number of important steps in complying with the President's admonitions for economy and efficiency. No vital operations have been impaired, productivity has been improved, and the over-all on-duty strength reduced. In FY 1964 there has also been considerable reprogramming in the Agency, both within and among Directorates, and some elimination of marginal programs in order to accommodate new higher priority efforts. With the requirement to submit the Agency's FY 1966 budget, there is provided a further opportunity to take the kind of hard program look requested by the President.

2. Within the next few days the Offices of your Directorate will be called upon to prepare their FY 1966 budget estimates. It is the Director's wish that each Deputy Director and Office Head personally review these submissions with the utmost care to insure that they represent a sound allocation of resources against highest priority objectives.

3. The Director has instructed that the budget reflect a decline in over-all Agency personnel strength to by June 1965. Within the Agency total, the personnel ceiling for the DD/S&T will be in FY 1965 and in FY 1966. The personnel ceilings provide positions for ORD and for FMSAC. Dollar target ceilings to accommodate your programs for FY 1966 are million. Dollar ceilings for the FY 1965

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Financial Plan are now under review in the Office of Budget, Program Analysis and Manpower. However, prior to the issuance of allocations it will be necessary to provide BPAM by 15 July with the new office break-out of your Directorate's FY 1965 manpower ceiling.

4. The achievement of these goals will require all of us to demonstrate our management ingenuity in reshaping and reassigning current assets to meet future demands as we see them. New priority programs must go forward and other less important ones dropped. Deputy Directors and Office Heads, in concert with my office, will be expected to reprogram and effect reorganizations as necessary to accomplish the FY 1965 and FY 1966 objectives.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director-Comptroller

O/BPAM/JMClarke: vgd 28 June 1964

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60-47011

DD/S&T 1818-64

13 JUL 1964

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT: DD/S&T Personnel Ceiling Allocation

REFERENCE: Action Memo No. A-400, dated 30 June 1964,
to DD/S&T from Executive Director-
Comptroller

1. Action Memorandum No. A-400 requests that you be advised by 15 July 1964 on personnel allocations, based on new FY 1965 ceiling, to be made to components of this Directorate.

2. Initial allocations for FY 1965 to DD/S&T operating components will be:

- a. Office of the Deputy Director
- b. Office of ELINT
- c. Office of Research and Development
- d. Office of Scientific Intelligence
- e. Office of Special Activities
- f. Office of Computer Services
- g. Foreign Missile and Space Analysis Center

Total

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3. It is of equal importance that you be furnished with the rationale upon which the above allocations were determined.

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The cited Action Memorandum informed us that the new FY 1965 personnel ceiling "provided ☐ positions for ORD and ☐ for FMSAC." These figures were in consonance with our requests. In view of the ceiling given us, however, this award of increase to ORD and FMSAC can only be accomplished by a concomitant elimination of ☐ already existing positions in this Directorate.

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4. The problem with which I am faced, accordingly, is to determine the best possible utilization of the total number of positions given this Directorate for FY 1965, i.e., ☐ in light both of current facts and current developments which eventually will have a significant impact on the use of personnel by this Directorate.

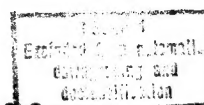
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5. I have determined, therefore, to initially allocate my personnel ceiling as shown in paragraph 2. In effect, I have maintained all units, with the exception of ORD and FMSAC, at their current approved size. The additional allocation of ☐ new positions for FY 1965 has been assigned for an indefinite duration, and in approximately equal segments, to ORD and FMSAC. In view of the developments described below, all of which to a greater or lesser degree will affect the personnel needs of the Directorate, I am persuaded that prudence indicates no further internal change of personnel allocations at this time.

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6. At the moment there are four major developments, the ultimate outcome of which will probably force rethinking of our personnel deployment. These developments are:

- a. dynamic changes in the scope and magnitude of the Agency's participation in a highly sensitive national level collection program;
- b. the Agency and Bureau of the Budget reviews on the amount of funds to be made available to ORD for FY 1965;
- c. the commercial management survey being conducted within the Office of Computer Services; and,
- d. the Inspector General's survey being conducted within the Office of Scientific Intelligence.



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7. At such time as we possess more certain knowledge of the ultimate outcome of the above described developments, and have an opportunity to assess and collate their collective impacts, we will again review in concert with you personnel allocations to components within the Directorate. I am hopeful that this review can be undertaken in the neighborhood of 1 October 1964.

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ALBERT D. WHEELON
Deputy Director
for
Science and Technology

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64-4701/2
BPAM-64-0632

MEMORANDUM FOR: Deputy Director (Science and Technology)

SUBJECT : FY 1965 Position and Fund Allowances

REFERENCE : Action Memo 400 dtd 30 June 1964, subject:
Policy Guidance for Preparation and Review
of FY 1966 Budget

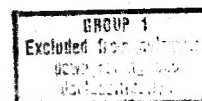
1. The attached schedule contains your FY 1965 position and dollar ceilings by office for inclusion in the FY 1966 budget estimate.

2. The distribution of positions within your directorate is in accord with the breakdown furnished by your office in response to Action Memo 400. The total dollar ceiling is the planned allocation for your directorate, subject to Congressional approval of the Agency's budget and apportionment by the Bureau of the Budget. The office breakdown is the result of budget reviews and hearings by OBPAM but may be adjusted within the total for your directorate, in consultation with OBPAM, if you determine such steps appropriate.

25X1 3. It is anticipated that the Federal Employees Salary Act of 1964 pending in Congress will be approved so the 1965 allowance includes an estimate of [] for this added cost. The detail of this breakdown has been computed in personnel service machine runs furnished to your Budget/Fiscal officers.

4. In addition to the 1965 data, the attached schedule lists the FY 1964 average employment and actual dollar obligations by office for the 1964 column of the budget. The dollar obligations accord with Agency records as of 30 June 1964 and cannot be changed except for comparability adjustments between offices.

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Lyman B. Kirkpatrick
Executive Director-Comptroller

Attachment

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4-3643

BPAM 64-6614

Executive Registry
64-4699/2

17 JUL 1964

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA : Executive Director-Comptroller

SUBJECT : Personnel Ceilings for the Clandestine Services

REFERENCES : (1) Memorandum dated 6 July 1964, DD/P to DDCI via Executive Director-Comptroller, Subject: Personnel Ceilings for the Clandestine Services.

(2) Action Memorandum No. 398, dated 30 June 1964, to DD/P from Executive Director-Comptroller.

GUIDANCE IS REQUESTED IN PARAGRAPH 7.

1. This memorandum includes an extension of the information provided in referent memorandum (1) and in paragraph 3 below presents the "office break-out" requested in referent memorandum (2). This break-out (allocation of ceiling reductions) is necessarily tentative and may be subject to later readjustment among DD/P components.

2. Reductions in ceilings, when they are exactly in balance with strength as is presently the case within the CS, inevitably mean a reduction in manpower. Our operating components have not yet completed their adjustment to the last reduction when they are to be confronted with another more serious one, despite our understanding that no further action was contemplated during FY 65. We think you will agree that from the point of view of sound management, major personnel adjustments, barring emergencies, should be programmed over a period of years depending on the scale of the demissions or accessions involved. Otherwise, operational planning and programming gets out of phase, particularly when overseas stations are involved. The instructions to effect this reduction presents us with a dilemma simply because it runs counter to valid requirements for increased operational tasks. For example, the necessity for personnel additions in South East Asia (particularly

2: Act. Memo 398

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Vietnam) are well understood and need not be commented on here.

[REDACTED]

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program. At the same time, Intelligence Community pressures on the question of [REDACTED] are intense. The alternative to some increase in the application of resources (financial and human) in these areas is to encourage the Department of Defense to step in and relieve us of some of our tasks. In some of these areas, however, the political and operational environment is not favorable to a more overt U.S. military role.

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[REDACTED]

4. In making manpower adjustments, we shall be guided insofar as possible by your instruction which states that "new priority programs must go forward and other less important ones dropped." We do not disagree with that as an operating principle but, once again, we would like to point out that program adjustments of that sort do not necessarily accomplish the short term personnel re-adjustments required by shift in emphasis or the reductions necessitated by ceiling reductions.

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[REDACTED]

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We know of no alternative course that will enable us to achieve the desired goals in regard to manpower, except an extension of the time within which they may be achieved. It might be possible to achieve the present proposed reduction by 30 June 1967, provided operational programs are held to present levels and provided further we are permitted to establish rates of progression in the grade structure which will permit continued development of our career officers. This latter proviso is intended to solve the problem posed in paragraph 5. above.

7. Guidance is requested with respect to the course that is to be followed.

(Signed) Richard Helms

Richard Helms
Deputy Director for Plans

Attachment: Annex

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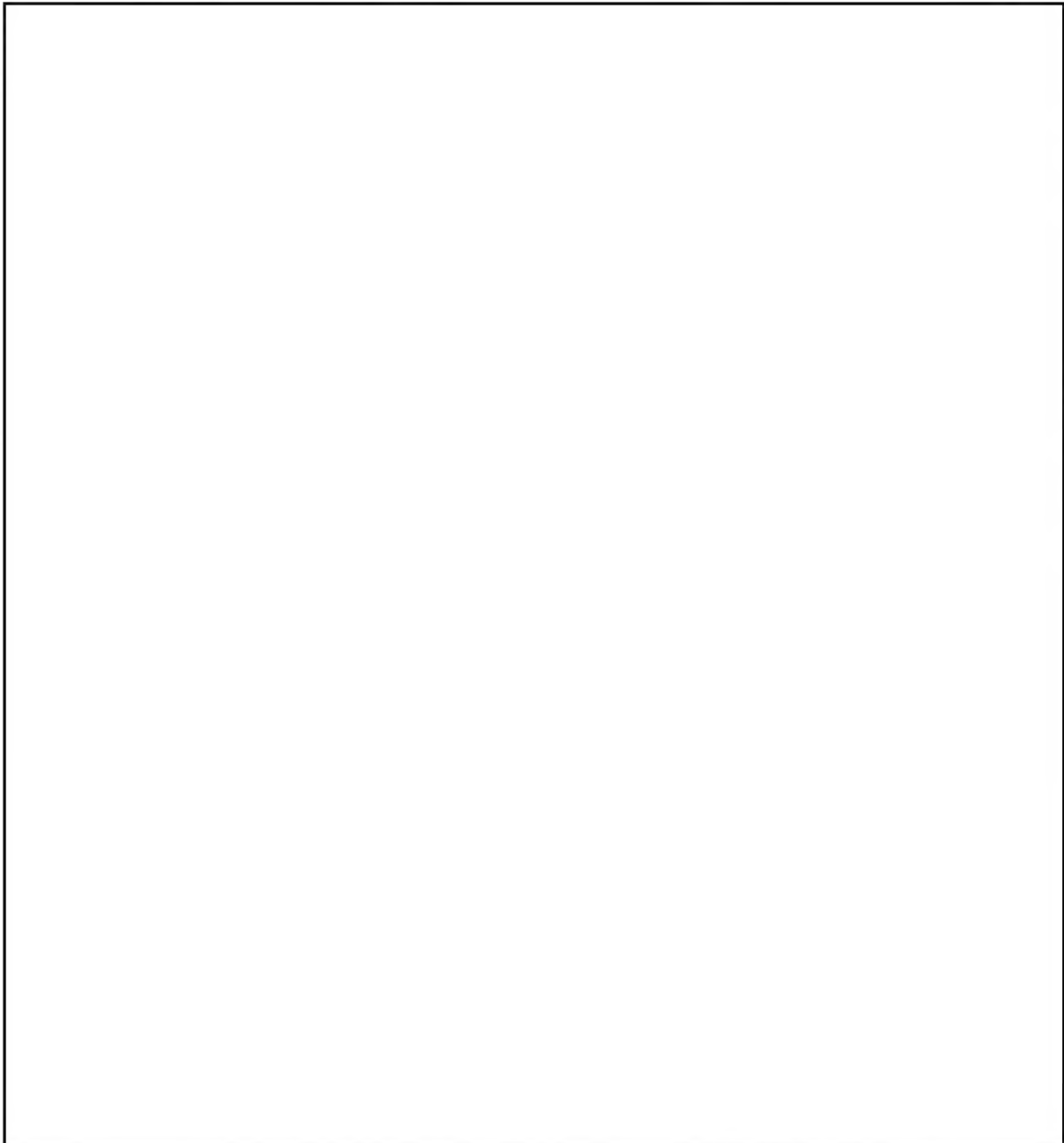
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Note 2. The calculations set forth above do not take into account retirements which may be realized from the passage of the CIA Retirement Law. As far as we are able to calculate, there will be ☐ individuals

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ANNEX

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eligible for retirement during FY 65 under the new legislation. An examination of eligible names indicates that many are presently fulfilling responsibilities from which they cannot soon be spared. How many others might voluntarily retire is a question which cannot be resolved until these eligible are actually presented with the problem. These factors, in addition to the fact that passage of the Law is not assured in this session, do not give assurance that any substantial relief of population pressure may be anticipated during FY 65 from this source.

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FORM NO. 241
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REPLACES FORM 36-8
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